

Senate Study Bill 3124

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CO=CHAIRPERSON ZIEMAN)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the percentage of actual value at which
2 certain commercial property is assessed for purposes of
3 property taxation.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 5152XK 81
6 sc/je/5

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1 1 Section 1. Section 441.21, subsection 5, Code Supplement
1 2 2005, is amended to read as follows:
1 3 5. a. For valuations established as of January 1, 1979,
1 4 commercial property and industrial property, excluding
1 5 properties referred to in section 427A.1, subsection 7, shall
1 6 be assessed as a percentage of the actual value of each class
1 7 of property. The percentage shall be determined for each
1 8 class of property by the director of revenue for the state in
1 9 accordance with the provisions of this section. For
1 10 valuations established as of January 1, 1979, the percentage
1 11 shall be the quotient of the dividend and divisor as defined
1 12 in this section. The dividend for each class of property
1 13 shall be the total actual valuation for each class of property
1 14 established for 1978, plus six percent of the amount so
1 15 determined. The divisor for each class of property shall be
1 16 the valuation for each class of property established for 1978,
1 17 as reported by the assessors on the abstracts of assessment
1 18 for 1978, plus the amount of value added to the total actual
1 19 value by the revaluation of existing properties in 1979 as
1 20 equalized by the director of revenue pursuant to section
1 21 441.49. For valuations established as of January 1, 1979,
1 22 property valued by the department of revenue pursuant to
1 23 chapters 428, 433, 437, and 438 shall be considered as one
1 24 class of property and shall be assessed as a percentage of its
1 25 actual value. The percentage shall be determined by the
1 26 director of revenue in accordance with the provisions of this
1 27 section. For valuations established as of January 1, 1979,
1 28 the percentage shall be the quotient of the dividend and
1 29 divisor as defined in this section. The dividend shall be the
1 30 total actual valuation established for 1978 by the department
1 31 of revenue, plus ten percent of the amount so determined. The
1 32 divisor for property valued by the department of revenue
1 33 pursuant to chapters 428, 433, 437, and 438 shall be the
1 34 valuation established for 1978, plus the amount of value added
1 35 to the total actual value by the revaluation of the property
2 1 by the department of revenue as of January 1, 1979. For
2 2 valuations established as of January 1, 1980, commercial
2 3 property and industrial property, excluding properties
2 4 referred to in section 427A.1, subsection 7, shall be assessed
2 5 at a percentage of the actual value of each class of property.
2 6 The percentage shall be determined for each class of property
2 7 by the director of revenue for the state in accordance with
2 8 the provisions of this section. For valuations established as
2 9 of January 1, 1980, the percentage shall be the quotient of
2 10 the dividend and divisor as defined in this section. The
2 11 dividend for each class of property shall be the dividend as
2 12 determined for each class of property for valuations
2 13 established as of January 1, 1979, adjusted by the product
2 14 obtained by multiplying the percentage determined for that
2 15 year by the amount of any additions or deletions to actual

2 16 value, excluding those resulting from the revaluation of
2 17 existing properties, as reported by the assessors on the
2 18 abstracts of assessment for 1979, plus four percent of the
2 19 amount so determined. The divisor for each class of property
2 20 shall be the total actual value of all such property in 1979,
2 21 as equalized by the director of revenue pursuant to section
2 22 441.49, plus the amount of value added to the total actual
2 23 value by the revaluation of existing properties in 1980. The
2 24 director shall utilize information reported on the abstracts
2 25 of assessment submitted pursuant to section 441.45 in
2 26 determining such percentage. For valuations established as of
2 27 January 1, 1980, property valued by the department of revenue
2 28 pursuant to chapters 428, 433, 437, and 438 shall be assessed
2 29 at a percentage of its actual value. The percentage shall be
2 30 determined by the director of revenue in accordance with the
2 31 provisions of this section. For valuations established as of
2 32 January 1, 1980, the percentage shall be the quotient of the
2 33 dividend and divisor as defined in this section. The dividend
2 34 shall be the total actual valuation established for 1979 by
2 35 the department of revenue, plus eight percent of the amount so
3 1 determined. The divisor for property valued by the department
3 2 of revenue pursuant to chapters 428, 433, 437, and 438 shall
3 3 be the valuation established for 1979, plus the amount of
3 4 value added to the total actual value by the revaluation of
3 5 the property by the department of revenue as of January 1,
3 6 1980. For valuations established as of January 1, 1981, and
3 7 each year thereafter, the percentage of actual value as
3 8 equalized by the director of revenue as provided in section
3 9 441.49 at which commercial property and industrial property,
3 10 excluding properties referred to in section 427A.1, subsection
3 11 7, shall be assessed shall be calculated in accordance with
3 12 the methods provided herein, except that any references to six
3 13 percent in this subsection shall be four percent. For
3 14 valuations established as of January 1, 1981, and each year
3 15 thereafter, the percentage of actual value at which property
3 16 valued by the department of revenue pursuant to chapters 428,
3 17 433, 437, and 438 shall be assessed shall be calculated in
3 18 accordance with the methods provided herein, except that any
3 19 references to ten percent in this subsection shall be eight
3 20 percent. Beginning with valuations established as of January
3 21 1, 1979, and each year thereafter, property valued by the
3 22 department of revenue pursuant to chapter 434 shall also be
3 23 assessed at a percentage of its actual value which percentage
3 24 shall be equal to the percentage determined by the director of
3 25 revenue for commercial property, industrial property, or
3 26 property valued by the department of revenue pursuant to
3 27 chapters 428, 433, 437, and 438, whichever is lowest.

3 28 b. Notwithstanding paragraph "a", commercial property that
3 29 is an apartment building, a mobile home park, a manufactured
3 30 home community, or a land=leased community shall be assessed
3 31 at a percentage of its actual value, as equalized by the
3 32 director of revenue as provided in section 441.49, as follows:

3 33 (1) For valuations established for the assessment year
3 34 beginning January 1, 2007, ninety percent of actual value.

3 35 (2) For valuations established for the assessment year
4 1 beginning January 1, 2008, eighty percent of actual value.

4 2 (3) For valuations established for the assessment year
4 3 beginning January 1, 2009, seventy percent of actual value.

4 4 (4) For valuations established for the assessment year
4 5 beginning January 1, 2010, sixty percent of actual value.

4 6 (5) For valuations established for the assessment year
4 7 beginning January 1, 2011, and each year thereafter, fifty
4 8 percent of actual value.

4 9 c. As used in paragraph "b":

4 10 (1) "Apartment building" means the land and building used
4 11 primarily for human habitation and containing three or more
4 12 separate living quarters, as well as structures and
4 13 improvements used primarily as a part of or in conjunction
4 14 with such land and building. "Apartment building" does not
4 15 include a hotel, motel, inn, or other building where rooms are
4 16 usually rented for less than one month, a nursing home, or a
4 17 rest home.

4 18 (2) "Land=leased community" means the same as defined in
4 19 sections 335.30A and 414.28A.

4 20 (3) "Manufactured home community" means the same as a
4 21 land=leased community.

4 22 (4) "Mobile home park" means the same as defined in
4 23 section 435.1.

4 24 EXPLANATION

4 25 This bill sets a percentage of actual value at which
4 26 commercial property that is an apartment building, a mobile

4 27 home park, a manufactured home community, or a land=leased
4 28 community is to be assessed for property tax purposes.
4 29 For the 2007 assessment year, the percentage is 90 percent
4 30 of actual value. For the 2008 assessment year, the percentage
4 31 is 80 percent of actual value. For the 2009 assessment year,
4 32 the percentage is 70 percent of actual value. For the 2010
4 33 assessment year, the percentage is 60 percent of actual value.
4 34 For the 2011 assessment year, and subsequent assessment years,
4 35 the percentage is 50 percent of actual value.
5 1 LSB 5152XK 81
5 2 sc:nh/je/5